



## Narrowing Down Agriculture Priorities for MC12

**The first meetings of the agriculture negotiating group featured engaged discussions on the Chair’s – Ambassador Deep Ford (Guyana) – text tabled at the end of July.**

That text was circulated with the aim of identifying “doable elements” to be harvested at the June 2020 WTO 12<sup>th</sup> Ministerial Conference (MC12) in Kazakhstan. The goal this fall is to focus the debate on few issues that have the best chances of reaching consensus in Nur-Sultan.

Identifying these elements is paramount if Members want to emulate the successes reached at the 2013 MC9 in Bali (administration of persistently underfilled TRQs; public stockholdings for food security purposes) and the 2015 10<sup>th</sup> Ministerial Conference in Nairobi where they agreed to eliminate export subsidies. The September 26-27 agriculture special sessions focused on three areas of the Chair’s report, i.e. domestic support, market access, and cotton.

### **Domestic Support**

The main difference in the domestic support topic – considered the top priority for MC12 by the vast majority of Members – remains the starting point for the negotiations. For the EU, disciplining the most trade-distorting support by capping AMS (aggregate measures of support) and *de minimis* (minimal amounts of domestic support that are allowed even though they distort trade — up to 5% of the value of production for developed countries, 10% for developing) should be the main focus of the talks. This, because the Commission wants to maintain both Blue and Green Boxes untouched given their

importance in the continuous reform of its agricultural sector.

For China and India meanwhile, *de minimis* support plays a critical role for small farmers in developing countries and therefore Members should first consider the elimination of AMS only. They too look to preserve article 6.2 (development box) as part of the S&D (special and differential) provision.

For the U.S., improved transparency should be the first step. The best chance to achieve an outcome at the MC12 would be to conduct more technical analyses with updated data and information, allowing Members to better understand the challenges faced by farmers, the U.S. stressed.

### **Market Access**

Views on market access could also be divided into two categories, according to officials: those (the EU, the African Group) who think it’s unrealistic to consider market access issues given their complexity and the short time available to achieve meaningful outcome, and those who argue that market access is of paramount importance and should not be overlooked (the U.S., and article 12 countries that joined the WTO after 1995).

The U.S. tabled several technical papers on market access calling for tariff reduction and further market opening to contribute to “the likelihood that farmers get better prices for their products” and help them produce more. It called on Members to contribute by updating their information, studying modalities for tariff reduction and working toward achieving results in the future, a Geneva-based trade official said.

The EU, meanwhile, does not see market access as a priority for the time being. Many elements under this pillar – such as tariff simplification and TRQ reallocation – are politically sensitive, the Commission stressed. Including them in the list of potential deliverables for MC12 would reduce the chances of reaching an outcome in Kazakhstan, the EU said.

Canada, for its part, warned Members against making tariff simplification a priority for Nur-Sultan given the complexity of the topic that will require considerable a lengthy discussion on the formula and the interlinkages in the market access pillar. Given these proven difficulties, a balanced outcome might be preferable, Canada said according to the official.

Others like Switzerland and Japan continue to link progress on market access in agriculture with improvement in NAMA (non-agriculture market access) and services.

## Next Steps

To stand a chance of reaching incremental outcomes in agriculture by MC12, domestic support needs to be addressed in a balanced and focused manner, Ambassador Ford said. Similarly, Members need to “zero-in and focus” otherwise, they might not be able to reach an agreement at all in Kazakhstan if nothing is agreed on agriculture, the Chair added.

New submissions on market access is expected from the U.S. in the coming weeks. The next agriculture special session meeting is scheduled for the end of October (October 28-29).

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